



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

MAY 29, 1981

B-203445

The Honorable Thomas J. Downey
The Honorable Frank J. Guarini
The Honorable James M. Shannon
House of Representatives



115373

Subject: [Gross and Net Income of Major U.S. Sugar
Cane and Beet Producers] (CED-81-113)

Your May 1981 letter asked us to report the gross and net incomes of the Nation's major sugar cane and beet producers from annual public reports and financial statements for 1978, 1979, 1980, and 1981. You stipulated that for the purpose of your inquiry "sugar cane and beet producers" should be considered to be those companies that grow and process cane or beets--not refiners of cane sugar. In addition, you requested that we limit our work to major corporations (other than cooperatives) that are required to file annual reports with the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934. Also, as agreed, we have not attempted to obtain 1981 data because the companies have not yet filed annual financial statements for 1981.

We obtained information on three sugar cane and three sugar beet producers that, according to a U.S. Department of Agriculture (USDA) official, accounted for about 39 percent of the 1980 U.S. domestic (excluding Puerto Rico) sugar production, raw value. The enclosure shows each company's gross income (hereafter referred to as revenues) and net income.

As you are aware, the data may have limited usefulness. All of the companies are diversified by product or process, and therefore the revenues and net income figures do not necessarily represent profitability from growing and processing cane or beet sugar. These companies are involved in different business lines, such as corn sweeteners, citrus, rice, cattle, real estate, and merchandising. In addition, some companies only process the cane or beets and do not grow them, while others refine cane sugar.

On May 28, 1981, we provided you with a copy of each company's recent (1980) annual stockholders report and Form 10K--Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934--totaling over 500 pages of data.

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We interviewed cognizant individuals at USDA involved in sugar production and price issues to identify the major U.S. domestic (excluding Puerto Rico) cane and beet sugar producers based on the most current available production data--1980. Because our efforts were limited to reviewing SEC public files to obtain the requested data on major corporations other than cooperatives, we did not obtain data on those producers identified by USDA that are not required to file with the SEC.

As arranged with your office we are sending copies of this report to the Secretary of Agriculture and will provide copies to other interested congressional committees and other interested parties.

A handwritten signature in black ink that reads "Henry Eschwege". The signature is written in a cursive style with a large, prominent initial "H".

Henry Eschwege
Director

Enclosure

MAJOR CORPORATE BEET AND CANE SUGAR PRODUCERS (note a)

<u>Company</u>	<u>Primary sugar product</u>	<u>1980</u>		<u>1979</u>	
		<u>Revenues</u>	<u>Net income or (loss)</u>	<u>Revenues</u>	<u>Net income or (loss)</u>
Alexander and Baldwin, Inc.	Cane	\$ 461,278,000	\$71,860,000	\$ 356,197,000	\$35,296,000
Amalgamated Sugar Company	Beet	357,744,000	17,768,000	210,009,000	5,497,000
Amfac, Inc.	Cane	1,922,399,000	76,101,000	1,689,496,000	56,370,000
Holly Sugar Corporation	Beet	207,298,000	5,339,000	169,980,000	(5,716,000)
Spreckel's Sugar Division - Amstar Corporation (note b)	Beet	1,284,988,000	30,853,000	1,056,376,000	22,376,000
United States Sugar Company	Cane	165,766,000	31,989,000	109,242,000	16,123,000

a/The major producers were identified by USDA officials based on 1980 production figures. Excluded are corporations not required to file with the SEC and cooperatives. Therefore some major sugar or beet producers are not listed. We obtained the revenues and net income figures from public annual reports the companies filed with the SEC. Because the companies are diversified the revenues and net income figures do not necessarily represent profitability from growing and processing cane or beet sugar.

b/Amstar Corporation's data encompasses the entire corporation's activities and not just the sugar division.